

Chapter 3, P.L. 2003

(Approved January 27, 2003)

[Corrected Copy]

[First Reprint]

SENATE, No. 829

STATE OF NEW JERSEY

210th LEGISLATURE

INTRODUCED JANUARY 24, 2002

Sponsored by:

Senator LEONARD T. CONNORS, JR.

District 9 (Atlantic, Burlington and Ocean)

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Assemblyman CHRISTOPHER J. CONNORS

District 9 (Atlantic, Burlington and Ocean)

Assemblyman JEFFREY W. MORAN

District 9 (Atlantic, Burlington and Ocean)

Co-Sponsored by:

**Senator McNamara, Assemblymen Green and
Arnone**

Chapter 3, P.L. 2003

2

SYNOPSIS

Authorizes extension of municipal employee health care waiver program to other coverage.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on September 26, 2002, with amendments.

(Sponsorship Updated As Of: 12/13/2002)

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCU committee amendments adopted September 26, 2002.

Chapter 3, P.L. 2003

3

AN ACT concerning the waiver of municipal employee health coverage¹[and]₂¹ amending P.L.1995, c.259 ¹and supplementing chapter 64A of Title 18A of the New Jersey Statutes¹.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 37 of P.L.1995, c.259 (C.40A:10-17.1) is amended to read as follows:

37. Notwithstanding the provisions of any other law to the contrary, a county ¹[or]₂¹ municipality ¹or any contracting unit as defined in section 2 of P.L.1971, c.198 (C.40A:11-2)¹ which enters into a contract providing group health care benefits to its employees pursuant to N.J.S.40A:10-16 et seq., may allow any employee who is eligible for other health care coverage [as a dependent of the employee's spouse under that plan or another plan, including the State Health Benefits Program established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), offered by the spouse's employer, whether a public or private employer,] to waive coverage under the county's ¹[or]₂¹ municipality's ¹or contracting unit's¹ plan to which the employee is entitled by virtue of employment with the county ¹[or]₂¹ municipality ¹or contracting unit¹. The waiver shall be in such form as the county ¹[or]₂¹ municipality ¹or contracting unit¹ shall prescribe and shall be filed with the county ¹[or]₂¹ municipality ¹or contracting unit¹. In consideration of filing such a waiver, a county ¹[or]₂¹ municipality ¹or contracting unit¹ may pay to the employee annually an amount, to be established in the sole discretion of the county ¹[or]₂¹ municipality ¹or contracting unit¹, which shall not exceed 50% of the amount saved by the county ¹[or]₂¹ municipality ¹or

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCU committee amendments adopted September 26, 2002.

Chapter 3, P.L. 2003

4

contracting unit¹ because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to resume coverage under the same terms and conditions as apply to initial coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall file a declaration with the county ¹[or],¹ municipality ¹or contracting unit¹, in such form as the county ¹[or],¹ municipality shall prescribe, that the waiver is revoked. The decision of a county ¹[or],¹ municipality ¹or contracting unit¹ to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.
(cf: P.L.2001, c.342, s.11)

2. Section 36 of P.L.1995, c.259 (C.52:14-17.31a.) is amended to read as follows:

36. Notwithstanding the provisions of any other law to the contrary, a municipality, or a municipal authority created by a municipality pursuant to P.L.1946, c.138 (C.40:14A-1 et seq.) or P.L.1957, c.183 (C.40:14B-1 et seq.), ¹or a county college¹ which participates in the State Health Benefits Program, established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), may allow any employee who is eligible for other health care coverage [as a dependent of the employee's spouse under that program or under another health benefits plan offered by the spouse's employer,]¹[whether a public or private employer,]¹ to waive coverage under the State Health Benefits Program to which the employee is entitled by virtue of employment with the municipality ¹[or],¹ the municipal authority ¹or the county college¹. The waiver shall be in such form as the Director of the Division of Pensions and Benefits shall prescribe and shall be filed with the division. After such waiver has been filed and for so long as that waiver remains in effect, no premium shall be required to be paid by the

Chapter 3, P.L. 2003

5

municipality ¹[or] ¹ the municipal authority, ¹or the county college¹ as the case may be, for the employee or the employee's dependents. Not later than the 180th day after the date on which the waiver is filed, the division shall refund to the municipality ¹[or] ¹ the municipal authority ¹or the county college¹ the amount of any premium previously paid by the municipality ¹[or] ¹ the municipal authority ¹or the county college¹ with respect to any period of coverage which followed the filing date. In consideration of filing such a waiver, a municipality ¹[or] ¹ a municipal authority ¹or a county college¹ may pay to the employee annually an amount, to be established in the sole discretion of the municipality ¹[or] ¹ the municipal authority ¹or the county college¹, which shall not exceed 50% of the amount saved by the municipality ¹[or] ¹ the municipal authority ¹or the county college¹ because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to immediately resume coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received from the municipality ¹[or] ¹ the municipal authority ¹or the county college¹ which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall notify the municipality ¹[or] ¹ the municipal authority ¹or the county college¹ in writing and file a declaration with the division, in such form as the director of the division shall prescribe, that the waiver is revoked. The decision of a municipality ¹[or] ¹ a municipal authority ¹or a county college¹ to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

(cf: P.L.2001, c.189)

¹3. (New section) Notwithstanding the provisions of any other law to the contrary, a county college that enters into a contract providing group health care benefits to its employees may allow any employee who is

Chapter 3, P.L. 2003

6

eligible for other health care coverage to waive coverage under the county college's plan to which the employee is entitled by virtue of employment with the county college. The waiver shall be in such form as the county college shall prescribe and shall be filed with the county college. In consideration of filing such a waiver, a county college may pay to the employee annually an amount, to be established in the sole discretion of the county college, which shall not exceed 50% of the amount saved by the county college because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to resume coverage under the same terms and conditions as apply to initial coverage if the employee ceases to be covered through the other health care coverage for any reason, including, but not limited to, the retirement or death of the employee's spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall file a declaration with the county college in such form as the county college shall prescribe, that the waiver is revoked. The decision of a county college to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.¹

¹[3.] 4.¹ This act shall take effect immediately.